

SENATE BILL 236

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2004 Regular Session  
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CF 4r1753

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By: **Senator Kelley**  
Introduced and read first time: January 29, 2004  
Assigned to: Finance

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Committee Report: Favorable  
Senate action: Adopted  
Read second time: February 24, 2004

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CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Personal Injury Protection Coverage -**  
3 **Waiver**

4 FOR the purpose of providing that a waiver of certain personal injury protection  
5 benefits made by a person that is insured continuously by the insurer is effective  
6 until the waiver is withdrawn in writing; and generally relating to the waiver of  
7 personal injury protection benefits in connection with a motor vehicle liability  
8 insurance policy.

9 BY repealing and reenacting, with amendments,  
10 Article - Insurance  
11 Section 19-506  
12 Annotated Code of Maryland  
13 (2002 Replacement Volume and 2003 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Insurance**

17 19-506.

18 (a) (1) If the first named insured does not wish to obtain the benefits  
19 described in § 19-505 of this subtitle, the first named insured shall make an  
20 affirmative written waiver of those benefits.

1           (2)     If the first named insured does not make an affirmative written  
2 waiver under this section, the insurer shall provide the coverage described in §  
3 19-505 of this subtitle.

4       (b)     (1)     A waiver made under this section constitutes a waiver of all the  
5 benefits described in § 19-505 of this subtitle, whether provided under:

6                   (i)     the first named insured's policy;

7                   (ii)    any other motor vehicle liability insurance policy issued in the  
8 State; or

9                   (iii)   another form of security used in place of a motor vehicle liability  
10 insurance policy as authorized under § 17-103 of the Transportation Article.

11           (2)     Subject to paragraph (3) of this subsection, a waiver made under this  
12 section is binding on the following individuals covered by the policy:

13                   (i)     each named insured;

14                   (ii)    each listed driver; and

15                   (iii)   each member of the first named insured's family residing in the  
16 first named insured's household who is at least 16 years old.

17           (3)     An individual listed in paragraph (2)(ii) or (iii) of this subsection may  
18 recover the benefits described in § 19-505 of this subtitle under another motor vehicle  
19 liability insurance policy if that individual:

20                   (i)     is the first named insured under the other policy;

21                   (ii)    has not waived the benefits described in § 19-505 of this  
22 subtitle under the other policy; and

23                   (iii)   is not a named insured under any other motor vehicle liability  
24 insurance policy under which a waiver of the benefits described in § 19-505 of this  
25 subtitle is in effect.

26       (c)     A waiver made under this section is not effective unless, prior to the  
27 waiver, the insurer gives the first named insured written notice of the nature, extent,  
28 and cost of the coverage described in § 19-505 of this subtitle.

29       (d)     (1)     A waiver made under this section shall be made on the form that the  
30 Commissioner requires.

31                   (2)     The form may be part of the insurance contract.

32                   (3)     The form shall clearly and concisely explain in 10 point boldface type:

33                   (i)     the nature, extent, and cost of the coverage that would be  
34 provided under the policy if not waived by the first named insured;

1 (ii) each effect of a waiver as stated in subsection (b) of this section;

2 (iii) that a failure of the first named insured to make a waiver  
3 requires an insurer to provide the coverage described in § 19-505 of this subtitle;

4 (iv) that an insurer may not refuse to underwrite a person because  
5 the person refuses to waive the coverage described in § 19-505 of this subtitle; and

6 (v) that a waiver made under this section must be an affirmative  
7 written waiver.

8 (e) A waiver made under this section by a person that is insured continuously  
9 by the Maryland Automobile Insurance Fund OR THE INSURER is effective until the  
10 waiver is withdrawn in writing.

11 (f) (1) An insurer may not refuse to underwrite a person because the person  
12 refuses to waive the coverage described in § 19-505 of this subtitle.

13 (2) An insurer that violates this subsection is subject to the penalties  
14 provided by §§ 4-113 and 4-114 of this article.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
16 effect June 1, 2004.